

SELF-MANAGED SPECIAL SERVICE DISTRICTS DRAFT POLICY UPDATES

March 19, 2013

OPENING REMARKS

Actions Since February 26 TPW Committee

- Sought input on policy from department heads of CPED, Finance, City Coordinator and City Attorney's Office in addition to other staff from these departments.
- Convened a second community stakeholder meeting on March 7 to walk through draft policy, answer questions, and solicit feedback
- Prepare revised policy recommendation

SUMMARY OF POLICY CHANGES

1. Addition of a second governance / management model.
2. Addition of an explicit list of ineligible services.
3. Inclusion of city staff from departments outside of Public Works in development of policy implementation procedures.

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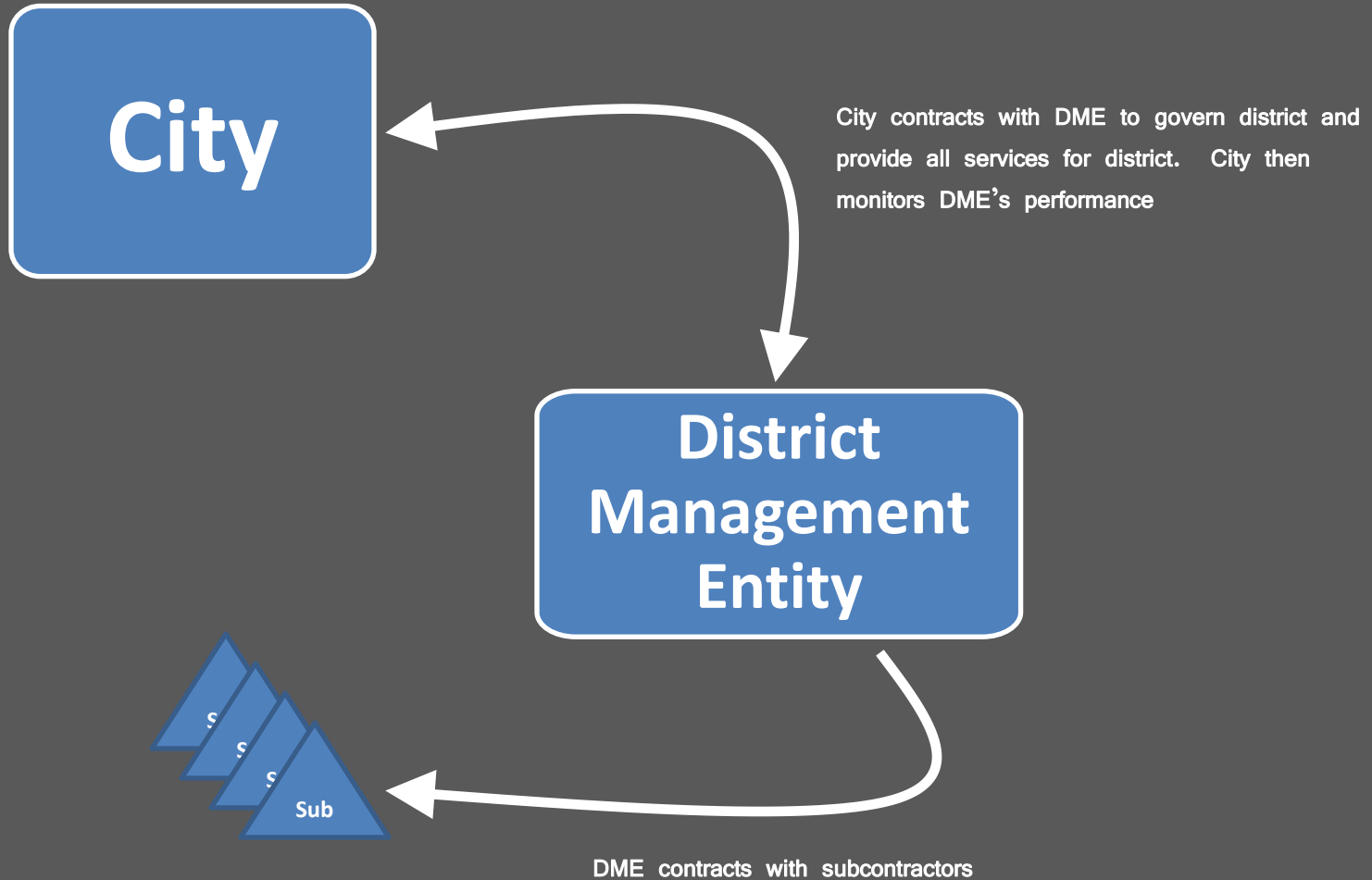
1. **Addition of a second governance/management model (based on stakeholder feedback).**
 - **City appoints an Advisory Board to provide District's governance.**
 - **Composed of majority property owners (3/5ths)**
 - **Develops District's Business Plan**
 - **Develops District's Annual Operating Plan**
 - **Directs and monitors the performance of the District's Service Provider.**
 - **Responsible for communicating and coordinating service delivery with District's business and property owners.**
 - **Appointed via the standard open enrollment process.**
 - **City contracts with a nonprofit Service Provider (e.g. local business association) to implement the District's desired services.**
 - **Implements the District's services as directed by Advisory Board and City in accordance with business plan and operating plan.**

SUMMARY OF POLICY CHANGES

2. Addition of an explicit list of ineligible services (based on questions from stakeholders).

- Lobbying of local city officials (as defined by City Ethics Ordinance)
- Services performed on private property unless services are performed as part of a district-funded activity or event (does not include fee for service arrangements)
- Improvements on private property unless a public easement has been created

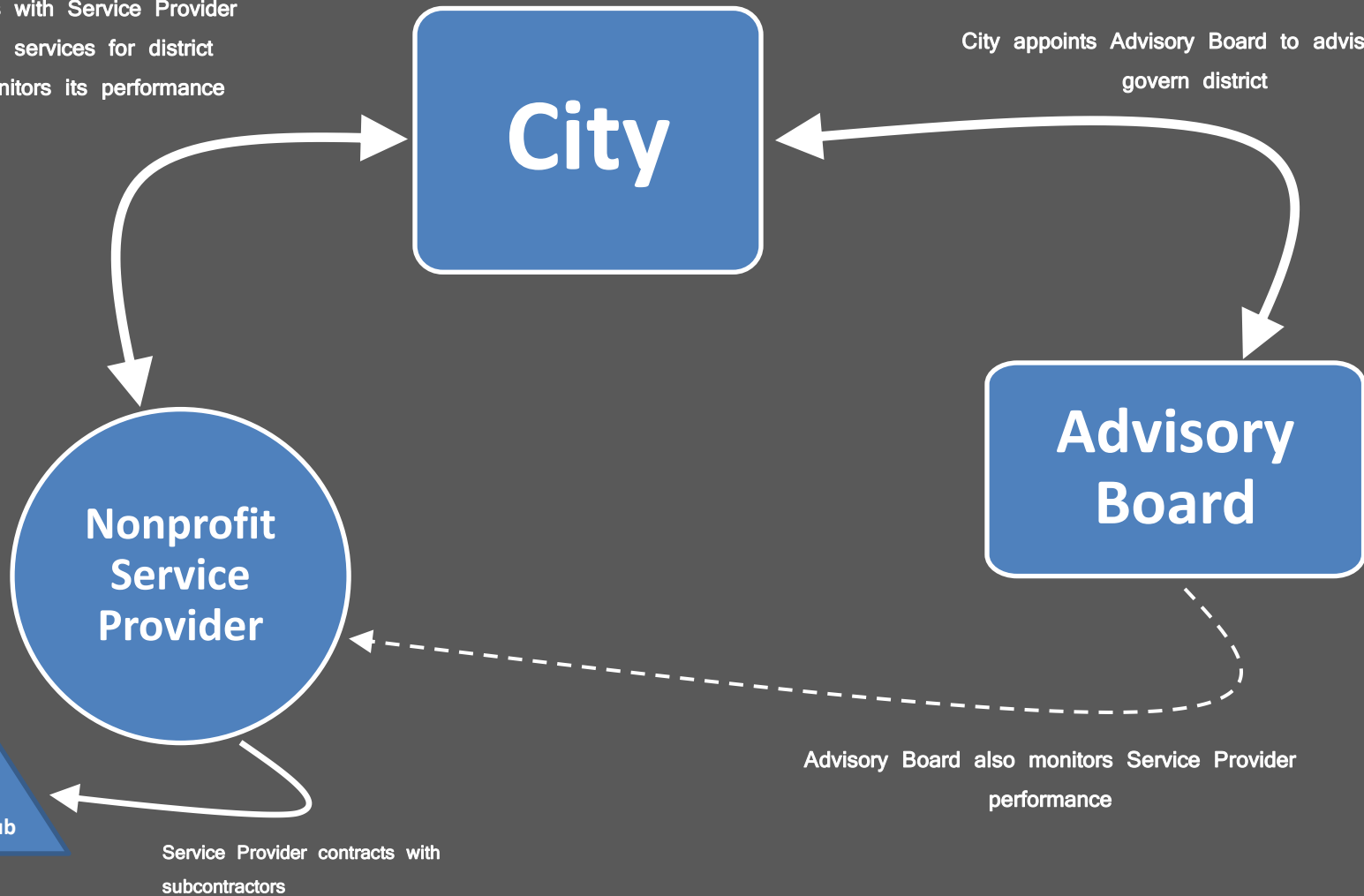
DISTRICT MANAGEMENT ENTITY MODEL



ADVISORY BOARD WITH SERVICE PROVIDER MODEL

City contracts with Service Provider
to provide all services for district
and then monitors its performance

City appoints Advisory Board to advise and
govern district



POLICY TOPIC AREAS FOR BOTH MODELS

- 1. District Formation**
- 2. Governance**
- 3. Existing City Services**
- 4. District Management Entity Eligibility and Business Plan**
- 5. Budget Setting & Operating Plan**
- 6. Eligible Services**
- 7. Procurement of Services**
- 8. Operational and Financial Transparency**
- 9. Oversight**
- 10. Transition from an Existing District (if desired)**
- 11. District Sunset and Renewal**
- 12. Public Right of Way Powers and Responsibilities**
- 13. Policy Implementation Procedures**

POLICY TIMELINE

- **2010 - 2012:** Approached by several groups indicating interest in replicating DID service district model. Commissioned framework report from Urban Works, Inc.
- **January 15:** Committee direction to develop policy
- **January 31:** Convened Stakeholder Meeting
- **February 22:** Policy draft published for public review
- **February 26:** Gathered feedback from council members and public on draft policy
- **March 7:** Follow-up stakeholder meeting to discuss draft policy
- **Today:** Possible action by TPW
- **March 29:** possible action by full city council

NEXT STEPS

- **April 1:** Petition deadline for 2014 service year
- **April – May:** Develop policy implementation procedures (including staff from Public Works, Finance, CPED, City Attorney's Office)
 - Oversight SSD review processes and reporting
 - Financial reporting forms and processes
 - Petition forms and processes
 - Service Charge assessment documentation and processes
- **Ongoing: Individual** budgets, operating plans, and year-end reporting reviewed by staff from Public Works, Finance, CPED, City Attorney's Office.
- **Self-Managed Policy Refinements** (return to council if needed)

NEXT STEPS

- **Beginning in April:** Investigate opportunities for improving management of new and existing City-managed SSDs (including staff from Public Works, Finance, CPED, City Attorney's Office)
 - Operational and Financial Transparency
 - Meetings and decision making
 - Developing district business plans
 - Developing district operating plans
 - Financial reporting
 - Ratepayer engagement and communications
 - Procurement of Services Improvements
 - Broader range of eligible services
 - Streamlining of procedures and requirements

DISCUSSION